

Message Text

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TO AMEMBASSY BELGRADE

C O N F I D E N T I A L STATE 178868

FOLLOWING REPEAT STATE 178868 ACTION OECD CAPITALS TRIPOLI
CARACAS ALGIERS BAGHDAD JIDDA ABU DHABI TEHRAN LAGOS JAKARTA
LIBREVILLE QUITO KUWAIT INFO OECD PARIS EC BRUSSELS 15 AUG

QUOTE

C O N F I D E N T I A L STATE 178868

KUWAIT PASS DOHA PRIORITY

E.O. 11652: GDS

TAGS: EINV, ENRG, OPEC, OECD

SUBJECT: FOREIGN DIRECT INVESTMENT BY OIL PRODUCING NATIONS

1. IN VIEW RAPIDLY ACCUMULATING FINANCIAL RESERVES OF OIL
PRODUCING NATIONS, CIEP IS ATTEMPTING ASSESS PROSPECTS FOR
OIL PRODUCER DIRECT INVESTMENT IN US AND DETERMINE WHETHER
TRADITIONAL US POLICY ON INWARD DIRECT INVESTMENT SHOULD
BE REEXAMINED. QUESTIONS TO BE CONSIDERED INCLUDE: (A)
WHAT IS THE POLICY (IF ANY) OR NATURE OF PROBABLE REACTION
OF OTHER DEVELOPED NATIONS WITH RESPECT TO CURRENT OR
PROSPECTIVE DIRECT INVESTMENTS BY OIL PRODUCERS IN THEIR
ECONOMIES? (B) HOW WOULD (1) OTHER DEVELOPED NATIONS;
AND (2) THE OPEC STATES REACT TO AN ALTERED USG POLICY,
EITHER (1) TO PROMOTE MORE ACTIVELY FOREIGN DIRECT INVEST-
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MENT IN THE US? OR (2) TO IMPOSE RESTRICTIONS ON SUCH INVESTMENT? (C) WHAT WOULD BE THE EFFECT, IF ANY, OF SUCH ALTERATIONS OF US POLICY ON THE PRICE AND/OR VOLUME OF OPEC OIL PRODUCTION AND EXPORTS TO THE US?

2. DEPARTMENT WOULD WELCOME ANY VIEWS WHICH ADDRESSEES MAY WISH TO SUBMIT ON THE ABOVE WITH FOLLOWING QUALIFICATIONS: (A) TO BE MOST HELPFUL, RESPONSES ARE NEEDED BY 21 AUGUST. (B) RESPONSE BY OECD POSTS ON QUESTION (A) BY THE ABOVE DATE IS NEEDED. (C) EMBASSIES SHOULD NOT REPEAT NOT RAISE ISSUES (B) AND (C) ABOVE WITH HOST GOVERNMENTS. FYI: CIEP STUDY REPRESENTS ATTEMPT TO ANTICIPATE POSSIBLE FUTURE PROBLEMS AS WELL AS TO PROVIDE A BASIS FOR RESPONSE TO PUBLIC AND CONGRESSIONAL INTEREST IN THIS SUBJECT. NO SPECIFIC SUGGESTIONS FOR ALTERATION OF US POLICY HAVE AS YET BEEN PUT FORWARD IN ADMINISTRATION NOR ARE ANY MNECESSARILY CONTEMPLATED. END FYI. KISSINGER UNQUOTE KISSINGER UNQUOTE INGERSOLL

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*** Current Handling Restrictions *** n/a

*** Current Classification *** CONFIDENTIAL

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